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Conference Report on H.R. 4137 – College Opportunity and Affordability Act of 2007

EXECUTIVE SUMMARY

The conference report to accompany H.R. 4137 is expected to be considered on the floor on July 31, 2008. The House and Senate have been hold informal negotiations on the bill for several months and officially went to conference on July 28, 2008. The conference agreement was filed on July 29, 2008.

The Higher Education Act authorizes the federal government's student aid programs to support postsecondary education attendance. It also authorizes other major programs such as those providing assistance to special groups of institutions of higher education and support services to enable disadvantaged students to complete secondary school and enter and complete college.

H.R. 4137 reauthorizes the Higher Education Act through 2013. This legislation contains provisions that aim to increase transparency in college costs, public and private financial aid. In addition, it establishes grant and scholarship programs to encourage institutions and students to focus on the fields of science, technology, engineering, math, foreign language, and law.

FLOOR SITUATION

H.R. 4137 is being considered on the floor under a closed rule. The Rule:

- > Waives all points of order against the conference report and against its consideration.
- > Provides that the conference report shall be considered as read.

This legislation was introduced by Representative George Miller (D-CA) on November 9, 2007. The bill was ordered reported, as amended, by the Committee on Education and Labor by a vote of 45 to 0 on December 19, 2007, and passed the House on February 7, 2008, by a vote of 354 to 58. The Senate passed their version of the Higher Education Reauthorization Act (S. 1642) on July 24, 2007.

Following House passage of H.R. 4137, the House and Senate held informal negotiations to reach a compromise on the Higher Education Bill. Upon reaching an acceptable compromise, the Senate agreed to the College Opportunity and Affordability Act as amended under the House number, H.R. 4137, on July 28, 2008, and requested a conference with the House. On July 29, 2008, the conference report was filed.

H.R. 4137 is expected to be considered on the House floor on July 31, 2008.

BACKGROUND

The Higher Education Act of 1965 was part of President Lyndon Johnson's Great Society domestic agenda. The goal of this Act was "to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education." The Higher Education Act authorizes the federal government's student aid programs to support postsecondary education attendance. It also authorizes other major programs such as those providing assistance to special groups of Institutions of Higher Education and support services to enable disadvantaged students to complete secondary school and enter and complete college. The Higher Education Act of 1965 was reauthorized in 1968, 1972, 1976, 1980, 1986, 1992, and 1998.

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On June 28, 2007, the House passed the First Higher Education Extension Act of 2007 by voice vote. The bill extended the Higher Education Act through July 31, 2007. Congress has passed a total of seven extensions to the act. Most recently, on July 30, 2008, the House passed S. 3352, extending the Higher Education Extension Act through August 15, 2008.

The Senate passed their version of the Higher Education Reauthorization Act (S. 1642) on July 24, 2007. The House passed H.R. 4137 on February 7, 2008, by a vote of 354-58. Following House passage of H.R. 4137, the House and Senate held informal negotiations to reach a compromise on the Higher Education Bill. Upon reaching an acceptable compromise, the Senate agreed to the College Opportunity and Affordability Act as amended under the House number, H.R. 4137, on July 28, 2008, and requested a conference with the House. On July 29, 2008, the conference report was filed.

SUMMARY

H.R. 4137 reauthorizes the Higher Education Act of 1965 through 2013.

Title I

Student Speech and Association Rights: The conference report adopts a Senate provision that includes a sense of Congress that an institution of higher education should facilitate the exchange of ideas, students should be treated equally and fairly, and their first amendment rights should be protected.

National Advisory Committee on Institutional Quality and Integrity (NACIQI): H.R. 4137 expands the membership of the committee to eighteen with six members appointed by the Secretary of Education, three members selected by the Speaker, three members selected by the House Minority Leader, three members selected by the Senate President Pro-Tempore, and three members selected by the Senate Minority Leader.

College Costs: H.R. 4137 requires States to maintain a level of funding for institutions of higher education that is equal to funding levels for the past five years. The bill requires the Secretary to make the following lists available to the public on the College Navigator website beginning July 11, 2011: 1) the five percent of institutions that have the highest tuition and fees; 2) the five percent of institutions that have the highest net price; 3)the five percent that have the largest percentage change in tuition and fees over the most recent three academic years; 4)the five percent of institutions that have the largest increase in net price over three years; 5) the ten percent of institutions that that have the lowest tuition and fees; and 6) the ten percent that have the lowest net price. If an institution appears on any of the price increase lists, they are required to submit a report to the Secretary describing the factors that contributed to the increase and the steps the institution is taking to reduce costs. H.R. 4137 also requires the Secretary of Education to make public 26 pieces of information, most of which is already collected by the Department, including the total number of undergraduate students who are enrolled at the institution and percentage of enrolled students who receive Federal, State, or other grants, and post the information on the College Navigator website.

Student Loan Sunshine Provisions: Includes provisions from the Student Loan Sunshine Act, which passed the House under suspension of the rules by a vote of 414 to 3 on May 9, 2007. (Legislative Digest for H.R. 890)

Title II

Teacher Quality Partnership Grants: H.R. 4137 consolidates State grants, teacher recruitment grants, and partnership grants into one grant program. The consolidated program awards grants to improve teacher training and professional development. It also requires partnerships that receive grants to report on the progress they are making toward the objectives of their partnership. In addition, it requires colleges and universities that receive funds under the Higher Education Act, each State, and the Secretary to report to ONGWORTH HOB WASHINGTON DC 20515

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Congress on the quality of teacher preparation. It prohibits the creation of a National System of Teacher Certification.

Enhancing Teacher Education: H.R. 4137 creates the following new programs to encourage individuals to enter into teaching:

- > Preparing Teachers for Digital Age Learners: Authorizes the Secretary to provide grants to consortiums consisting of higher education institutions, state or local educational agencies, and other entities with experience in technology and teacher preparation. The consortium can use the funds to develop partnerships focused on effective teaching with modern digital tools and content or to transform the way departments, schools, and colleges of education teach classroom technology integration;
- ➤ Honorable Augustus F. Hawkins Centers of Excellence: Authorizes grants to establish centers of excellence for minority serving institutions to expand or enhance teacher preparation programs;
- > Teach to Reach Grants: Authorizes grants to partnerships to improve the preparedness of general education teachers to more effectively educate students with disabilities;
- > Adjunct Teacher Corps: Authorizes a grant program for local education agencies to recruit and train content specialist mid-career professionals with an expertise in math, science, and critical foreign languages; and
- Graduate Fellowships to Prepare Faculty in High-Need Areas at Colleges of Education: Authorizes grants to be made to institutes of higher education to allow them to make graduate fellowship awards available to students preparing to be professors in math, science, special education, or instruction to individuals with limited English proficiency.

Title III

Predominantly Black Institution Designation: H.R. 4137 authorizes a new grant program to help predominantly black institutions expand the capacity to serve more low- and middle- income African American students. The bill authorizes \$75 million for fiscal year 2009 and such sums for each of the following five years for this program.

*Note: The bill defines a predominantly black institution as an institution that has at least 1,000 undergraduate students where at least 40 percent of the students are low-income Black American students or first generation college students.

Asian-American and Native American Pacific Islander-Serving Institution Designation: H.R. 4137 provides a new designation for minority-serving institutions with more than 10 percent of enrolled undergraduate students that are Asian American and Pacific Islander. It directs the Secretary to provide formula grants for the expansion and enhancement of services to Asian American and Pacific Islander students. The bill authorizes \$30 million for fiscal year 2009 and such sums for the following five years.

Native American-serving, Nontribal Institution Designation: The bill provides a new designation for institutions where 10 percent of the enrolled undergraduates are Native American students, and the school is not already designated a Tribal College or University. The agreement authorizes \$25 million for fiscal year 2009 and such sums for the following five years.

Partnership for Youth Engagement in STEM Fields: This provision allows the Secretary to provide grants to eligible partnerships to encourage students in kindergarten through twelfth grade to enter STEM

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(Science, Technology, Engineering, and Mathematics) fields. It also allows the Secretary to enter into a contract with an advertising agency to implement a campaign to promote STEM fields.

Waiver Authority to Institutions Affected by Gulf Hurricanes: The Secretary has waiver authority for Institutions affected by Hurricanes Katrina and Rita.

Pell Grants: The conference agreement increases the authorized Pell grant award to \$6,000 for academic year 2008-2009, \$6,400 for academic year 2009-2010, \$6,800 for academic year 2010-2011, \$7,200 for academic year 2011-2012, \$7,600 for academic year 2012-2013, \$7,600 for academic year 2013-2014, and \$8,000 for academic year 2014-2015. The bill allows Pell awards to be used year round. In addition, it prohibits sex offenders residing in an involuntary civil commitment program from being eligible for Pell Grants and limits student eligibility for a Pell Grant to the equivalent of 18 semesters. It also includes a House passed provision that allows the child of a member of the Armed Forces who died in Iraq or Afghanistan after September 11, 2001, to have receive the maximum Pell Grant.

*Note: The House passed bill would have increased Pell awards to \$9,000 for each academic year.

TRIO: H.R. 4137 allows the use of funds to identify services for children in foster care and homeless youth. In addition, it gives applicants the opportunity to appeal grant application denials to an Administrative law judge. It also prohibits the Secretary from implementing the absolute priority for Upward Bound program participant selection. The bill authorizes \$900 million for fiscal year 2009 and such sums for the following five years.

*Note: The Department of Education noticed a proposal of rulemaking on September 22, 2006, based on analysis that students are more likely to succeed the longer they receive Upward Bound services. The rule created a priority for applications that admitted students no later than ninth or tenth grade.

GEAR UP: H.R. 4137 allows GEAR UP grants to be used to support students into the students' first year of college. In addition, it establishes a new priority for students that were in foster care or were homeless or unaccompanied youth. The bill authorizes \$400 million for fiscal year 2009 and such sums for each of the following five years.

Grants for Access and Persistence: The conference agreement repeals the Special LEAP program and replaces it with Grants for Access and Persistence. The grants are to expand college access and increase college persistence by providing states with funding to provide need-based grants to low-income students and encourage more participation in early information and intervention, mentoring, or outreach programs.

Robert C. Byrd Competitiveness Program: The bill reauthorizes the Robert C. Byrd Honors Scholarship Program for such sums for fiscal years 2008-2013. Eligibility for the scholarships is extended to students who are home schooled.

Loan Forgiveness for Service in Areas of National Need: This bill forgives student loans up to \$10,000 for individuals employed full time in areas of national need, including early childhood educators, nurses, librarians, foreign language specialists, and school counselors.

Civil Legal Assistance Attorneys Loan Forgiveness: This legislation creates a new discretionary program that provides \$5,000 of loan forgiveness to employees of a nonprofit that provides legal assistance probono to low-income individuals who agree to work there for three years.

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Off-Campus Community Service: The conference agreement retains a House passed provision that allows institutions of higher education to use funding received from the Federal Work Study Program to recruit and compensate students for off campus community service employment.

Free Application for Federal Student Aid (FAFSA): This legislation requires the creation of the EZ-FAFSA that would be a simplified version of the FAFSA application. In addition, it instructs the Secretary to develop a streamlined reapplication process for Federal student aid. H.R. 4137 also requires the Secretary to develop a system so that students applying for Federal aid can receive early estimates on their eligibility.

<u>Drug Provision</u>: Allows students who lost their Federal student eligibility as the result of a drug conviction to regain their eligibility by passing two unannounced drug tests.

Campus-Based Digital Theft Prevention: H.R. 4137 authorizes the Secretary to provide grants to institutions to develop and implement solutions to reduce the amount of illegal downloading.

Title V

Promoting Post-Baccalaureate Opportunities for Hispanic Americans: H.R. 4137 authorizes the Secretary to make five year competitive grants to Hispanic serving institutions that make substantive contributions to graduate educational opportunities for Hispanic Americans. This provision is authorized at \$100 million for fiscal year 2009 and each of the subsequent five fiscal years. The conference report language also adds certain allowed uses of these funds, including the development of articulation agreements, promotion of financial literacy, and remedial coursework development.

Title VI

International and Foreign Language Studies: H.R. 4137 authorizes the Secretary to make grants to promote partnerships with institutions in other countries and the teaching of less commonly taught foreign languages and area studies programs. The bill authorizes such sums as may be necessary for fiscal year 2009 and each of the subsequent five years. Republican provisions prescribing surveys and application procedures are included in the bill.

Business and International Education Programs: The bill allows the use of funds for Centers of International Business Education to encourage partnerships between foreign countries and U.S. higher education institutions. This legislation also allows the use of funds for education and training programs. This provision also ensures that minority serving institutions are able to participate in these programs. These programs are authorized at such sums as may be appropriated for fiscal year 2009 and each of the subsequent five years.

Institute for International Public Policy: The program provides a single grant to assist a consortium of colleges and universities to establish an institute designed to increase the representation of minorities in international services, including private international voluntary organizations and the U.S. Foreign Service. The conference report adds language to ensure that all minority-serving institutions are able to bid for grants to establish the Institute. This program is authorized at such sums as may be appropriated for fiscal year 2009 and each of the subsequent five years.

Science and Technology Advanced Foreign Language Education Grant Program: This provision creates a grant program to institutions to develop programs to teach foreign language and study science and technology in foreign countries. This program is authorized at such sums as may be appropriated for fiscal year 2009 and each of the subsequent five years.

Title VII

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Thurgood Marshall Legal Education Opportunity Program: This legislation allows grant funding to be used for pre-college and summer academic programs. It also allows the program to work with middle and high school students to promote their interest in obtaining a legal education.

Fund for the Improvement of Postsecondary Education: This legislation adds several new uses of program funds to encourage institutions to provide innovative post-secondary opportunities for all students, including non-traditional students, as well as to establish distance learning programs. The bill prohibits funds to be used to provide financial assistance directly to illegal aliens through grants or scholarships.

Students with Disabilities: H.R. 4137 establishes a National Center for Information and Technical Support for Post-Secondary Students with Disabilities. In addition, it authorizes the creation of the Advisory Commission on Accessible Instructional Materials to improve materials available for students with disabilities, as well as a model demonstration program for the delivery of materials for students with print disabilities. This legislation also authorizes the Secretary to issue grants to assist higher education institutions to create transition programs for students with intellectual disabilities.

Title VIII

Title VIII implements a number of new initiatives, a selection of which appears below.

Project GRAD: H.R. 4137 authorizes the Project GRAD program, which is a program that works to improve high-school graduation rates and post-secondary attendance and completion for low-income and disadvantaged individuals.

Nursing Students or Faculty: The bill establishes a new program that authorizes the Secreatary to award grants to nursing programs to expand faculty and facilities.

Teach for America: The conference agreement provides a five year grant to Teach for America, Inc. The grant is authorized at \$20 million for fiscal year 2009, \$25 million for fiscal year 2010, and such sums for each of the following four years.

Patsy T. Mink Fellowship Program: This new program will assist high qualified minorities and women to attain terminal degrees in academic areas that are underrepresented.

Rural Development Grants for Rural Universities: This bill provides grants to partnerships between rural institutions, as well as partnerships between rural institutions and rural employers to increase college access to rural high school graduates.

Centers of Excellence for Veteran Student Success: This provision allows the Secretary to provide grants to institutions to establish these centers as a single point of contact to coordinate comprehensive support services for veteran students.

<u>University Sustainability Programs</u>: This provision provides grants to institutions to implement sustainability programs and practices on campus.

Title IX

Education of the Deaf Act: H.R. 4137 creates a new cultural experiences grant program to enrich the lives of deaf and hard-of-hearing children and adults and promote the integration of hearing, deaf, and hardof-hearing persons through shared cultural, educational, and social experiences.

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Indian Education: This legislation creates a new Tribally Controlled Postsecondary Career and Technical Institution Program that provides funding to the United Tribes Technical College and the Navajo Technical College to operate post-secondary career and technical programs.

Loan Repayments for Prosecutors and Public Defenders: H.R. 4137 authorizes the Attorney General to provide loan repayments of up to an aggregate total of \$60,000 for prosecutors or public defenders that remain employed in these jobs for at least 3 years.

Expands the Stevenson-Wylder Technology Innovation Act of 1980: The bill establishes a Minority Serving Institution Digital and Wireless Technology Opportunity Program to assist institutions in developing digital and wireless networking technologies.

Title X

Preventing Deceptive Private Lending Practices: This legislation prohibits private lenders from offering gifts to an institution or entering revenue sharing agreements and prohibits lenders from using the name, emblem, mascot, or logo of an institution. In addition, it prohibits lenders from providing any penalty on a borrower who repays their loan early. This provision also prohibits employees of an institution from participating in formal lender advisory meetings, but does make an exception for university presidents who serve on the board for a private lending institution as a requirement of State law. In addition, it imposes civil penalties on private lenders that violate these prohibitions.

Disclosure Requirements for Private Student Loans: H.R. 4137 expands the disclosure requirements for private lenders to include clear explanations on the range of interest rates, eligibility criteria for the loan, and whether the borrower may be eligible for Federal financial assistance.

Title XI includes a number of studies, a selection of which appear below.

Study on Foreign Graduate Medical Schools: The bill requires that the Comptroller General complete a study that includes an examination of the amount of Federal student financial aid that is spent on graduate medical schools outside the U.S. and the percentage of overall student aid that this represents. The report is also to include the percentage of students who attend these foreign schools that pass, on their first attempt, the examinations administered by the Federation of State Medical Boards of the U.S. and the National Board of Medical Examiners. This study is to be completed within 18 months of enactment.

Analysis of Federal Regulations on Institutions of Higher Education: The dill directs the Secretary of Education to enter into an agreement with the National Research Council of the National Academy of Sciences to conduct a study determining the amount of Federal regulations and reporting requirements with which institutions of higher education must comply. This study is to be completed within two years of enactment.

Independent Evaluation of Distance Education Programs: The legislation directs the Secretary of Education to enter into an agreement with the National Research Council of the National Academy of Sciences to conduct a statistical evaluation of the quality of distance education programs of higher education institutions compared to on-campus programs. A final report on these findings is to be completed no later than June 30, 2008.

Study on Teaching Students With Reading Disabilities: The Secretary of Education is to conduct a study, in cooperation with the Center for Education of the National Academies, to determine if teachers are adequately prepared to meet the needs of students who may have reading disabilities.

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Report on Income Contingent Repayment Through the Income Tax Withholding System: In coordination with the Secretary of the Treasury, the Secretary of Education is to conduct a study on the benefits of loan repayment through income based plans. This report is to be submitted to Congress no more than one year after enactment.

Study on the Financial Compliance Audits of the Federal Student Loan Program: The Comptroller General is to complete a study examining all the financial and compliance audits and reviews required or conducted as part of the proper management of federal student loans. This report is to be completed no more than one year after enactment.

ADDITIONAL VIEWS

Education and Labor Ranking Member Buck McKeon (R-CA): "The bill recognizes the remarkable power of sunshine and transparency to empower consumers and create higher education system that will continue to be the best in the world. This reauthorization has been five years in the making, and for students and families, it's coming not a moment too soon. I look forward to swift passage of this agreement in the House and Senate so that we can send it to the President for his signature."

STAFF CONTACT

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H.R. 1338 – Paycheck Fairness Act

EXECUTIVE SUMMARY

H.R. 1338 amends the Fair Labor Standards Act of 1938 (Equal Pay Act) to add nonretaliation requirements, increase penalties, and authorize the Secretary of Labor to seek additional compensatory or punitive damages, and includes other wage-related provisions. H.R. 1338 also authorizes \$15 million for the purposes of the Act. The President has threatened to veto the bill.

The debate over "equal pay" is grounded in data that shows women are generally paid less than men for comparable jobs, although the pay gap has narrowed considerably over the last 48 years. The primary pieces of legislation pertaining to workplace sex discrimination is the 1963 Equal Pay Act and Title VII of the Civil Rights Act, which prohibits wage differentials between men and women for equal work on jobs "performed under similar working conditions" and requiring "equal skill, effort, and responsibility."

H.R. 1338 is expected to be considered on the floor of the House on July 31, 2008 pursuant to a structured rule

FLOOR SITUATION

H.R. 1338 is expected to be considered on the floor of the House on July 31, 2008 pursuant to a structured rule. The rule:

- Provides one hour of general debate equally divided and controlled by the Chairman and Ranking Member of the Committee on Education and Labor;
- Waives all points of order against consideration of the bill except for clauses 9 (regarding earmarks) and 10 (regarding PAYGO) of rule XXI;
- Provides that the amendment in the nature of a substitute recommended by the Committee on Education and Labor, now printed in the bill, shall be considered as an original bill for the purpose of amendment and shall be considered as read;
- Waives all points of order against the amendment in the nature of a substitute except for clauses 10 (regarding PAYGO) of rule XXI. This waiver does not affect the point of order available under clause 9 of rule XXI (regarding earmark disclosure);
- No amendments shall be in order except those amendments printed in the Rules Committee report accompanying the resolution;
- Provides that the amendments made in order may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall note be subject to amendment, and shall not be subject to a demand for division of the guestion in the House or in the Committee of the Whole;
- Waives all points of order against the amendments printed in the report except for clauses 9 (regarding earmarks) and 10 (regarding PAYGO) of rule XXI;
- Provides one motion to recommit with or without instructions; and
- ➤ Provides that, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to a time designated by the Speaker.

This legislation was introduced by Representative Rosa DeLauro (D-CT) on March 6, 2007. The Committee on Education and Labor ordered the bill to be reported, as amended, on July 24, 2008, by a party line vote of 26-17.

BACKGROUND

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The debate over "equal pay" is grounded in data that shows women are generally paid less than men for comparable jobs, although the pay gap has narrowed considerably over the last 48 years. Among women with a "strong commitment to the labor force," the 2006 median annual earnings were \$32,515, while men earned \$42,261, according to the U.S. Census Bureau.

Explanations for this labor market differential tend to take either a supply- or demand-focused approach, corresponding to distinct policy remedies. The supply-side position argues that wage disparity is due to differences in the level of educational attainment, job characteristics, and hours worked. Those who take the supply-oriented approach argue that wage disparities will correct themselves over time. Since women in the workplace are becoming more demographically similar to men, they believe government intervention is unwarranted. Demand-focused theorists argue instead that sex-based discrimination is responsible for the remaining discrepancy in wages after accounting for labor market qualifications. Their prescription is increased government enforcement of anti-discrimination laws, heightened workplace monitoring, arbitration of wage practices, and provisioning federal funds for training programs targeted towards enabling women to enter high-paying, nontraditional employment sectors.

The primary pieces of legislation pertaining to workplace sex discrimination are the 1963 Equal Pay Act and the Civil Rights Act which prohibit wage differentials between men and women for equal work on jobs "performed under similar working conditions" and requiring "equal skill, effort, and responsibility." The Equal Pay Act does, however, allow for differentials based on seniority, merit, or disparities in the quality or quantity of production.

Note: Rep. Cathy McMorris Rodgers (R-WA) offered an amendment to give private sector workers the flexibility to access comp time in lieu of paid overtime. Democrats did not allow a vote on the motion. Rep. Tom Price (R-GA) offered two amendments which would limit excessive trial lawyer fees and avert unintended job loss due to litigation traps. The Democrat majority defeated these amendments. Finally, Ranking Member McKeon (R-CA) offered an amendment to recognize the role played by high gas prices in diminishing the value of workers' wages. The Democrats prevented a vote on this measure.

SUMMARY

Enforcement of Equal Pay Requirements: H.R. 1338 amends the Fair Labor Standards Act of 1938 (Equal Pay Act) to add nonretaliation requirements, increase penalties, and authorize the Secretary of Labor to seek additional compensatory or punitive damages.

The bill requires that non-gender reasons for any gender-based wage disparity have a "business justification." An employer must demonstrate that the disparity is based on a factor other than gender, such as education, training, or experience.

Note: According Education and Labor Committee Republicans: "H.R. 1338 dramatically scales back an employer's ability to defend itself from claims of `pay discrimination' where disparities arise from wholly lawful business decisions... H.R. 1388 strictly limits an employer's ability to defend pay differentials which are accounted for by reasons wholly unrelated to an employee's sex... Currently, under the Fair Labor Standards Act, plaintiffs may sue on behalf of themselves and those similarly situated, and pursue a collective action. To ensure that these suits are brought on the basis of merit--and by those who wish to pursue them--employees must `opt in' to these collective suits. H.R. 1388 would reverse that presumption and eliminate those safeguards, instead deeming all potential class members to be joined to a suit, and placing the affirmative burden on these plaintiffs--who may not even know of the suit's existence--to opt out of a claim." (Additional Views, House Report 110-783)

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Training: This bill requires the Equal Employment Opportunity Commission (EEOC) and the Office of Federal Contract Compliance Programs to train EEOC employees and relevant individuals and entities on wage discrimination issues.

Research, Education, and Outreach: H.R. 1338 also authorizes the Secretary of Labor to make competitive grants to public agencies for negotiation skills training programs for girls and women. The Secretary must report to Congress within one year on this grant program.

The Secretary must provide studies, information, a national summit, and guidelines, awards, and assistance for employer evaluations of job categories based on objective criteria. H.R. 1338 also establishes the Secretary of Labor's National Award for Pay Equity in the Workplace. The award will go to an employer that has "made substantial effort to eliminate pay disparities between men and women."

Pay Equity Programs and Data Collection: This bill amends the Civil Rights Act of 1964 to require the EEOC to collect certain pay information. The Commissioner of Labor Statistics will collect data on female workers in the Current Employment Statistics survey. H.R. 1338 directs the Office of Federal Contract Compliance Programs to use certain methods in investigating compensation discrimination and to enforce pay equity. The Secretary must make information publicly available on compensation discrimination.

Authorization of Appropriations: H.R. 1338 authorizes \$15 million for the purposes of the Act over the 2009-2013 period.

ADDITIONAL VIEWS

Ranking Member Howard "Buck" McKeon (R-CA): "This bill isn't about paycheck fairness. It's already against federal law to discriminate, in pay or other employment practices, on the basis of sex. And rightfully so...This bill is about making it easier for trial lawyers to cash in under the Equal Pay Act, and making it more difficult for employers to make legitimate employment decisions based on factors other than sex."

Statement of Administration Policy: "The bill would unjustifiably amend the Equal Pay Act (EPA) to allow for, among other things, unlimited compensatory and punitive damages, even when a disparity in pay was unintentional. It also would encourage discrimination claims to be made based on factors unrelated to actual pay discrimination by allowing pay comparisons between potentially different labor markets. In addition, it would require the Department of Labor (DOL) to replace its successful approach to detecting pay discrimination with a failed methodology that was abandoned because it had a 93 percent false positive rate. Thus, if H.R. 1338 were presented to the President, his senior advisors would recommend that he veto the bill."

(Statement of Administration Policy, 7/30/08)

AMENDMENTS MADE IN ORDER

- 1. Rep. Melissa Bean (D-IL): Would strike section 3(b); "Application of Provisions," from the bill.
- 2. Rep. Tom Price (R-GA): Would direct the Secretary of labor to study and report back to Congress within 90 days the effect of the Equal Pay Act amendments contained in the bill (section 3) on employers' ability to recruit and hire employees regardless of gender; the effective date of these amendments is delayed pending the Secretary's report. If the Secretary finds that these amendments are likely to significantly hinder employer's ability to hire and recruit employees regardless of gender, they do not go into effect.
- 3. Rep. Jason Altmire (D-PA): Would delay the effective date of the bill by six months from the time of enactment. The amendment requires the Department of Labor to educate small businesses about what is required under law and assist them with compliance.

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- 4. Rep. Gabrielle Giffords (D-AZ): Would clarify that a plaintiff must show intent (malice or reckless indifference) to recover punitive damages.
- 5. Rep. Don Cazayouz (D-LA): Would clarify that nothing in the Paycheck Fairness Act would affect the obligation of employers and employees to fully comply with all the applicable immigration laws.
- 6. Rep. Jeff Flake (R-AZ): Would prohibit the grant program created by the Paycheck Fairness Act from being used for Congressional earmarks.

COST

The Congressional Budget Office (CBO) estimates implementing H.R. 1338 "would cost \$15 million over the 2009-2013 period, assuming appropriation of the authorized amounts." Full CBO Cost Estimate

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H.R. 6599 – Military Construction and Veterans Affairs Appropriations Act for FY2009

EXECUTIVE SUMMARY

The House will consider H.R. 6599 – Military Construction and Veterans Affairs Appropriations Act, 2009, on July 30, 2008, pursuant to a modified open rule. The bill provides \$72.7 billion in overall discretionary spending, which is an increase of \$8.8 billion (14%) over last year's bill. Additionally, this funding level is \$3.4 billion (5%) over the President's requested budget. H.R. 6599 contains over 100 earmarks, mostly for military construction and requested by the President.

This bill contains funding for 1) military construction and family housing; 2) the Department of Veterans Affairs; and 3) operating expenses for related agencies such as American Battle Monuments Commission and U.S. Court of Veterans Appeals. By funding military construction, this bill provides for the facilities needed to house and train military personnel at home and abroad. H.R. 6599 also provides funding for the medical care, benefits, and other important services the Department of Veterans Affairs provides for our veterans. In addition, the bill funds the operation and maintenance of monuments and cemeteries devoted to the men and women in uniform who have fought to protect our freedom.

The bill is expected to be considered on the floor under a modified open rule on July 31, 2008.

FLOOR SITUATION

H.R. 6599 is being considered on the floor pursuant to a modified open rule. The rule:

- Provides one hour of general debate equally divided and controlled by the Chairman and Ranking Minority Member of the Committee on Appropriations;
- Waives all points of order against consideration of the bill except those arising under clause 9 (regarding earmarks) or 10 (regarding PAYGO) of rule XXI;
- Waives all points of order against provisions of the bill for failure to comply with clause 2 of rule XXI.
- Makes in order only those amendments to the bill that are preprinted in the *Congressional Record* by July 30 or are pro forma amendments for the purpose of debate;
- Provides that each amendment printed in the Congressional Record may be offered only by the Member who caused it to be printed or a designee and that each amendment shall be considered as read;
- Provides one motion of recommit with or without instructions; and
- ➤ Provides that, not withstanding the operation of the previous question, the Chair may postpone further consideration of the bill to a time designated by the Speaker.

The bill was introduced by Representative Chet Edwards (D-TX) on July 24, 2008. The House Committee on Appropriations reported H.R. 6599 on July 24, 2008 by voice vote.

The bill is expected to be considered on the floor on July 31, 2008.

BACKGROUND

The annual Military Construction – Veterans Affairs appropriations bill is traditionally one of the least controversial spending measures. Last year's bill passed the House on June 15, 2007, by a vote of 409-2. H.R. 6599 is the first fiscal year 2009 appropriations bill to be considered by the House this year. The appropriations process had been recently halted due to the refusal of the Democrat leadership to allow Republican amendments to spending measures which would increase American energy production.

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FUNDING SUMMARY

Table: MilCon-VA Appropriations

(funding in \$ millions)

	FY09 House Proposal	FY09 Administration Request	FY08 Enacted
Net Budget	72,700	69,300	63,900
Military			
Construction,			
Army	4.750	4.616	3.928
Military			
construction, Navy			
and Marine Corps.	3.281	3.096	2.188
Military			
construction, Air			
Force	.959	.935	1.149
Family Housing,			
Total	3.166	3.203	2.866
Base realignment			
and closure			
account, 1990	.473	.393	.296
Base realignment			
and closure			
account, 2005	9.065	9.065	7.235
Veterans Benefits			
Administration,	4/ 455	4/ 455	44 (40
Total	46.155	46.155	44.642
Medical Services,			
Veterans Health	20.054	24.07/	27.1/0
Administration	30.854	34.076	27.168
Medical Support			
and Compliance, VHA	4 400		2 442
Medical Facilities,	4.400		3.442
VHA	5.029	4.661	3.592
Medical and	3.029	4.001	3.092
Prosthetic			
Research, VHA	.500	.442	.411
Office of Inspector	.500	.442	.411
General	.088	.077	.073
Construction,	.000	.077	.073
major projects	.923	.582	.727
Construction,	.725	.302	.121
minor projects	.991	.329	.233

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More detailed funding tables, as well as a listing of earmarks in the bill can be found in the Committee Report.

Key Provisions

Title I

Military Construction: This bill authorizes a total appropriation of \$24.8 billion for military construction efforts. This total is \$400 million over the President's requested budget.

Military Housing: The bill authorizes a total of \$3.2 billion for military and family housing projects. This is an increase of \$300 million over the fiscal year 2008 level. This funding is used for construction and maintenance of housing units.

NATO Security Investment Program: H.R. 6599 appropriates \$219 million for the North Atlantic Treaty Organization (NATO) Security Investment Program. The program finances the provision of the installations and facilities needed to support the roles of NATO Strategic Commands. These investments cover such installations and facilities as communications and information systems, radar, military headquarters, airfields, fuel pipelines and storage, and harbors.

1990 Base Realignment and Closure (BRAC): This bill provides \$473 million to carry out environmental cleanup efforts at bases closed during previous BRAC rounds. These bases are identified in the most recent "Defense Environmental Programs Annual Report." This funding is \$80 million above the President's request.

2005 Base Realignment and Closure (BRAC) and Re-stationing: The bill authorizes \$9.1 billion for the restationing of overseas U.S. military personnel to the United States. This funding matches the President's request, and represents an increase of \$1.8 billion over the fiscal year 2008 level.

Pinyon Canyon: No funds are available to promote the expansion of the boundaries or size of the Pinyon Canyon Maneuver Site, Colorado. The Army announced plans to expand the site in 2007, but has experienced legal resistance due to certain environmental concerns.

Privatized Housing Study: The bill requires the Army to study the feasibility of expanding the privatization of unaccompanied housing for junior and senior personnel. The Army must report to Congress on its findings by December 31, 2008.

Prohibiting New Bases: This bill bars the construction of new bases in the U.S. without Congressional appropriation.

Quality of Life Initiative: The bill authorizes \$336 to continue a quality of life initiative that was begun in the 2008 Supplemental. This sum includes \$200 million for new trainee and recruit housing, and \$136 million for medical military construction and upgrades to certain medical treatment facilities. The President did not request this funding in his budget.

Schools Report: H.R. 6599 requires the Department of Defense to report to Congress by December 31, 2008, on military construction projects at schools for the children of service members.

Steel Procurement: The bill bars the procurement of steel unless American producers and manufacturers are able to compete.

Title II

Department of Veterans Affairs: This bill includes a total funding level of \$47.7 billion for the Department of Veterans Affairs. This total is \$2.9 billion over the President's request.

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Extended Care Facilities: This bill authorizes \$165 million in grants for States to construct and renovate VA extended care facilities. This sum exceeds the President's request by \$80 million.

Information Technology: \$2.5 billion is authorized for an emergency fund for information technology needs at medical facilities. This represents a \$50 million increase over the President's budget.

VA Inspector General: The bill funds the Department of Veterans Affairs Office of Inspector General at \$87.8 million. This level is \$4 million above the President's requested budget.

Operating Expenses: \$1.8 billion is authorized in this bill for general VA operating expenses. This includes funding for the hire of about 2,100 claims processors.

Other Construction: This bill includes \$1.9 billion for a number of specific major and minor VA construction projects. This funding level is \$788 million over the President's request.

Veterans Health Administration: The bill funds the Veterans Health Administration at \$40.8 billion for medical care for veterans. This level is \$1.8 billion over the President's requested budget.

Veterans Medical Facilities: The bill authorizes \$5 billion for VA medical facilities- \$368 million above the President's request. This provision includes funding to increase enrollment of Priority 8 veterans in the Veterans Health Administration. The President banned enrollment of new Priority 8 veterans on January 17, 2003, due to overcrowding in the VA health care system. Priority 8 veterans are those veterans whose injuries are not service related and who have an income of 80% of the median in their community.

<u>Veterans Medical Research</u>: H.R. 6599 includes \$500 million for medical and prosthetic research, including trauma and mental health research. This level is \$38 million above the President's request, and \$20 million above the fiscal year 2008 level.

Veterans Medical Services: The bill includes a total of \$30.9 billion for veterans' medical services. This sum is \$1 billion over the President's requested level. This includes \$400 million for the enrollment of some Priority 8 veterans.

Note: The President banned enrollment of new Priority 8 veterans on January 17, 2003, due to overcrowding in the VA health care system. Priority 8 veterans are those veterans whose injuries are not service related and who have an income of 80% of the median in their community.

This provision also includes \$3.8 billion in funding for specialty mental health care and \$584 million for substance abuse programs. \$200 million, not requested by the President, is included for fee-based health care for access where Veterans Health Administration services are not available. H.R. 6599 also includes \$130 million in funding for the homeless veterans grants program.

Veterans Medical Support: H.R. 6599 includes \$4.4 billion to ensure the efficient operation of the VA health care system. Some of this funding will also be used to support the initiative to enroll 10 percent of Priority 8 veterans in the health care system. This level of funding is \$144 million over the President's requested budget.

Title III

American Battle Monuments Commission: The American Battle Monuments Commission, responsible for operating and supporting American military monuments and cemeteries around the world, is funded at \$55.5 million. This sum is \$8 million above the President's requested budget for the Commission.

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Arlington Cemeterial Expenses: This bill authorizes \$31.2 million for the operation of Arlington National Cemetery. This amount matches the President's request.

Armed Forces Retirement Home: The bill authorizes \$63 million to be appropriated from the Armed Forces Retirement Home Trust Fund for the operation of the Retirement Home. This includes \$8 million for capital expenditures at the Washington, D.C. campus.

Court of Appeals for Veterans Claims: This bill funds the U.S. Court of Appeals for Veterans Claims at \$73.98 million for the purpose acquiring a new facility for the Court. This is \$50 million above the President's budget request for construction of a new courthouse facility.

ADDITIONAL VIEWS

Ranking Members Jerry Lewis (R-CA) and Zach Wamp (R-TN): "There is no greater way to honor the volunteers who serve our country than to make sure that they have the best medical care and facilities with which to treat them. This bill provides historic funding increases to do just that. But, we can't forget that we also owe it to them to ensure that the VA manages these funds in a way that also honors our veterans...In conclusion, while American taxpayers and future generations of Americans will be paying the price for this bill and other bills under the bloated discretionary spending levels adopted by the Democrat majority, this is a good bill." (Additional Views, House Report 110-775)

AMENDMENTS PRE-PRINTED IN THE CONGRESSIONAL RECORD

- 1) Rep. Steve Buyer (R-IN): Would transfer \$150 million from the Major Construction account to the Medical Facilities account for the installation of appropriate solar electric energy roof applications at 10 Department of Veterans Affairs (VA) medical facility sites.
- 2) Rep. Steve Buyer (R-IN): Would transfer \$7 million from the Major Construction account to the Medical Facilities account for the installation of alternative fueling stations at 35 Department of Veterans Affairs (VA) medical center campuses.
- 3) Rep. Steve King (R-IA): Would prohibit funds in this Act from being used enforce the requirements of Davis-Bacon.
- 4) Rep. Jeff Flake (R-AZ): Strikes all Member-requested military construction earmarks in the underlying bill.
- 5) Rep. Jeb Hensarling (R-TX): Would prohibit funds provided by this Act to be available to enforce section 526 of the Energy Independence and Security Act of 2007.
- 6) Rep. Michael McCaul (R-TX): Would prohibit funds to be used for a project or program named for a serving Member, Delegate, Resident Commissioner, or Senator of the United States Congress.
- 7) Rep. Michael Burgess (R-TX): Would appropriate \$100 million for the construction of one Army petroleum refinery, \$200 million for one petroleum refinery for each the Navy and Marine Corps, and \$100 million for an Air Force refinery. The amendment would reduce funding for the 2005 BRAC Account by \$400 million.
- 8) Rep. Lee Terry (R-NE): Would establish a national cemetery in Sarpy County, Nebraska to serve veterans and their families.
- 9) Rep. Sheila Jackson-Lee (D-TX): Would direct the Secretary of Veterans Affairs to increase the number of medical centers specializing in post-traumatic stress disorder in underserved urban areas.

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- 10) Rep. Christopher Murphy (D-CT): None of the funds made available in this Act may be used to obstruct nonpartisan voter registration activities at VA facilities.
- 11) Rep. Scott Garrett (R-NJ): Would reduce funding for general VA operating expenses by \$18 million and increase funding for state extended care facilities by \$18 million.
- 12) Rep. Doug Lamborn (R-CO): Would specify that the Pinyon Canyon Maneuver Site in Colorado may be expanded if land is purchased from a willing seller.
- 13) Rep. Ed Perlmutter (D-CO): Would reduce funding for general VA operating expenses by \$42 million and increase funding for major VA construction projects by \$42 million.
- 14) Rep. Bart Stupak (D-MI): Would prohibit funding for DOD construction on public buildings and works unless all iron and steel is produced in the United States. This requirement would be waived if American steel is not reasonably available or would increase the overall cost of the project by more than 25 percent.
- 15) Rep. Bart Stupak (D-MI): Would prohibit funding for VA construction on public buildings and works unless all iron and steel is produced in the United States. This requirement would be waived if American steel is not reasonably available or would increase the overall cost of the project by more than 25 percent.
- 16) Rep. Bart Stupak (D-MI): Would prohibit the Secretary of Veterans Affairs from using funds in this Act to adjust proportionately the dollar amounts payable for beneficiary travel, in the event that Secretary increases or decreases the rates of allowances or reimbursement.
- 17) Rep. Alcee Hastings (D-FL): Would prohibit funds from being used to establish contracts or procurements not consistent with the Federal Property and Administrative Services Act of 1949.
- 18) Rep. Bob Filner (D-CA): Would establish a community grant program to provide rehabilitative services to veterans with post-traumatic stress disorder or traumatic brain injury. \$250 million available for "Medical services" in this bill would be made available for this purpose.
- 19) Rep. Bob Filner (D-CA): Would establish a heroes' homecoming pilot program to assess the effectiveness of offering compulsory screening and treatment for mental health conditions to recently discharged servicemembers, and veterans returning from deployment. \$10 million designated for "Medical services" in this bill would be made available for this purpose.
- 20) Rep. Phil Gingrey (R-GA): None of the funds appropriated or otherwise made available in this Act may be used to take private property for public use without just compensation.
- 21) Rep. Bob Filner (D-CA): This amendment would clarify the definition of "combat with the enemy", for the purposes of service-connected disabilities. Would also establish two VA pilot programs to provide disability compensation to veterans on the basis of certain presumptions of serviceconnected disability. The amendment also reduces the number of disability grades for these programs, and directs the Secretary to determine appropriate compensation for the grades.
- 22) Rep. Bob Filner (D-CA): Would make one-time payments to American and Filipino veterans of World War II of \$15,000 and \$9,000, respectively. These veterans must have served in the Philippines under the direction of the U.S. Armed Forces. The amendment would reduce funding for VA information technology systems by \$198 million.

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- 23) Rep. Bob Filner (D-CA): Would establish a Merchant Marine Equity Compensation Fund in the Treasury general fund. This fund would be used to make monthly payments of \$1,000 to individuals who served in the U.S. Merchant Marine during World War II, subject to appropriations. This amendment would reduce funding for VA information technology systems by \$120 million.
- 24) Rep. John Boehner (R-OH): Would amend the bill to include the text of H.R. 6566, the American Energy Act. Please visit the following website for more information on this bill: House Republican Conference - American Energy Act
- 25) Rep. Shelley Moore Capito (R-WV): Would increase funding for the Veterans Equitable Resource Allocation account by \$100 million dollars. This funding will go towards increasing monies for feebased health services for rural veterans. The offset comes from over funded DVA construction accounts.
- 26) Rep. Shelley Moore Capito (R-WV): Would increase the mileage reimbursement rate for veterans by 6.5 cents, to 41.5 cents per mile.
- 27) Rep. Cliff Stearns (R-FL): Would create an Internet website for veterans with a comprehensive list of employment opportunities throughout the United States.
- 28) Rep. Steve Buyer (R-IN): Would provide \$7 million of the amounts appropriated for the Department of Veterans Affairs (VA) Minor Construction account for the installation of alternative fueling stations at 35 VA medical facilities.
- 29) Rep. Steve Buyer (R-IN): Would provide \$150 million of the amounts appropriated for the Department of Veterans Affairs (VA) Minor Construction account for the installation of appropriate solar electric roof applications at VA medical centers.
- 30) Rep. Gene Taylor (D-MS): Would prohibit funds made available in the Act from being used to implement section 2703 of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (P.L. 109-234), which requires the Secretary of the VA to clean up and transfer all of the Department's land parcels in Gulfport, MS, to the city of Gulfport, MS.
- 31) Rep. William Jefferson (D-LA): Would give priority for funding to areas in the Gulf Opportunity Zone from amounts available under "General operating expenses" and "Medical support and compliance" to carry out the guaranteed transitional housing loan program.
- 32) Rep. Lee Terry (R-NE): Would require the Secretary of the VA to establish a national cemetery in the Sarpy County region of Nebraska.
- 33) Rep. Lee Terry (R-NE): Would prohibit the use of funds made available by this Act to be used to carry out the construction of a new national veterans' cemetery, unless the Secretary provides a list of the six new locations for establishment of national cemeteries that includes Omaha, Nebraska.
- 34) Rep. Patrick Murphy (D-PA): Would prohibit funds made available by this act to be spent by the VA to prevent nonpartisan voter organizations from conducting voluntary and nonintrusive voter registration drives at VA facilities.

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- 35) Rep. Michael Burgess (R-TX): Would require that funds be made available from the amounts appropriated for military construction for the design and construction of petroleum refineries for the Army, Navy, Marine Corps, and Air Force.
- 36) Rep. Zach Wamp (R-TN): Would prohibit the use of funds made available in this Act to modify the standards used to determine the entitlement of veterans to special monthly pensions.
- 37) Rep. Christopher Murphy (D-CT): Would prohibit the use of funds made available to enforce section 3, Policy of VHA Directive 2008-25, regarding to restrictions on voter registration drives.

STAFF CONTACT

For questions or further information contact Adam Hepburn at 6-2302.